

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG SANDY WATER)	
DISTRICT OF BOYD, CARTER AND LAWRENCE)	
COUNTIES, KENTUCKY, FOR AN ORDER)	CASE NO. 89-333
APPROVING CONSTRUCTION FINANCING AND)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY)	

O R D E R

On October 31, 1989, Big Sandy Water District ("Big Sandy") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,013,300 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 200 additional customers. Project funding includes a \$640,000 loan from the Farmers Home Administration ("FmHA"), a \$330,000 grant from the Appalachian Regional Commission ("ARC"), and \$43,300 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 7 7/8 percent per annum.

Big Sandy's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. The minimum filing

requirements were met in this case on October 31, 1989. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application.

IT IS THEREFORE ORDERED that:

1. Big Sandy is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Big Sandy's proposed plan of financing with FmHA and ARC is accepted.

3. Big Sandy shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

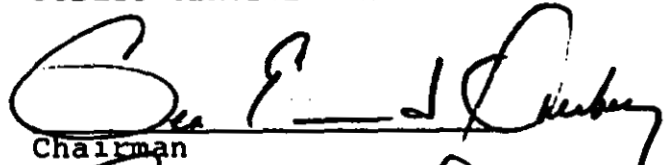
5. Big Sandy shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

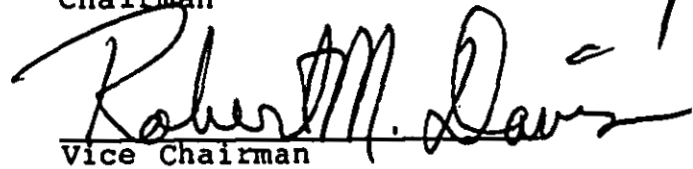
6. Big Sandy shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Big Sandy shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 22nd day of November, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-333 DATED 11/22/89

The following rates and charges are prescribed for the customers in the area served by Big Sandy Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

5/8 Inch Meter

First	2,000 gallons	\$ 14.40 Minimum Bill
Next	8,000 gallons	5.30 per 1,000 gallons
Next	20,000 gallons	4.17 per 1,000 gallons
Next	20,000 gallons	3.41 per 1,000 gallons
All Over	50,000 gallons	2.65 per 1,000 gallons

3/4 Inch Meter

First	5,000 gallons	\$ 30.30 Minimum Bill
Next	5,000 gallons	5.30 per 1,000 gallons
Next	20,000 gallons	4.17 per 1,000 gallons
Next	20,000 gallons	3.41 per 1,000 gallons
All Over	50,000 gallons	2.65 per 1,000 gallons

1 Inch Meter

First	10,000 gallons	\$ 56.80 Minimum Bill
Next	20,000 gallons	4.17 per 1,000 gallons
Next	20,000 gallons	3.41 per 1,000 gallons
All Over	50,000 gallons	2.65 per 1,000 gallons

1 1/2 Inch Meter

First	30,000 gallons	\$140.20 Minimum Bill
Next	20,000 gallons	3.41 per 1,000 gallons
All Over	50,000 gallons	2.65 per 1,000 gallons

2 Inch Meter

First	50,000 gallons	\$208.40 Minimum Bill
All Over	50,000 gallons	2.65 per 1,000 gallons

3 Inch Meter

First 100,000 gallons
All Over 100,000 gallons

\$340.90 Minimum Bill
2.65 per 1,000 gallons

4 Inch Meter

First 200,000 gallons
All Over 200,000 gallons

\$605.90 Minimum Bill
2.65 per 1,000 gallons